

## State of Utah Department of Commerce Division of Securities

FRANCINE A. GIANI Executive Director

JASON P. PERRY
Deputy Director

WAYNE KLEIN Director

## NEWS RELEASE

## **BROKERAGE FIRM FINED \$100,000 FOR MANIPULATION BY AGENT**

December 7, 2005 . . . Francine A. Giani, Executive Director of the Utah Department of Commerce, today announced that Access Financial Group, Inc. was ordered to pay a fine of \$100,000, pay additional restitution, and comply with the securities laws. Access, based in Chicago, consented to the entry of the order, which was based on the conduct of a former stockbroker at the company.

According to the order, a former broker at Access opened a \$300,000 investment account for a retired Utah couple. The broker bought unsuitable high-risk, low-priced speculative securities for the account. The broker conducted excessive buying and selling of securities in the account; the trading activity was so frequent the account would have had to earn 22% in profits just to break even. This broker generated over \$25,000 in commissions. Some stocks in the account were purchased without approval of the customers. The customers lost \$203,000.

The State's investigation also revealed that the broker was attempting to manipulate some of these stocks. Taped telephone conversations revealed that the broker had agreed with promoters of some speculative companies to have customers buy stocks of those companies, trying to push the stock prices higher. The broker and promoters discussed the release of a false press release as well as non-public inside information about the companies being promoted.

After the Utah Securities Division conducted an examination of Access' Chicago office, the broker left Access and the company improved its compliance and supervisory system. In 2001, Access made partial restitution to the customers. Today's order requires that additional restitution be paid to the customers along with payment of a \$100,000 fine to the Division.

The order resolves the case against the company and its officers. The case is continuing against the former broker. Access has agreed to assist the Division in its ongoing case.